

SENATE RECORD VOTE ANALYSIS

104th Congress
1st Session

Vote No. 265

June 15, 1995, 12:40 p.m.
Page S-8437 Temp. Record

TELECOMMUNICATIONS/Radio Ownership

SUBJECT: Telecommunications Competition and Deregulation Act of 1995 . . . S. 652. Pressler motion to table the Simon modified amendment No. 1283.

ACTION: MOTION TO TABLE AGREED TO, 64-34

SYNOPSIS: As reported, S. 652, the Telecommunications Competition and Deregulation Act of 1995, will amend telecommunications laws and reduce regulations in order to promote competition in the telecommunications industry by eliminating barriers that prevent telephone companies, cable companies, and broadcasters from entering one another's markets. It will also permit electric utilities to enter the cable and telephone markets. Judicial control of telecommunications policy, including the "Modified Final Judgment" regime, will be terminated.

The Simon modified amendment would restrict the number of radio stations that any one entity may own to 50 AM and 50 FM radio stations (the Dole amendment, which was agreed to earlier (see vote No. 248), removed all restrictions on the number of radio stations that any one entity may own).

Debate was limited by unanimous consent. Following debate, Senator Pressler moved to table the amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

The United States currently has 11,000 radio stations. Many of those stations are in severe financial distress due to new competitive conditions. The current Federal Communications Commission (FCC) ownership restrictions are aggravating that distress, and will cause tremendous numbers of failures if they are not removed. The FCC has two types of restrictions: it limits the number of stations that may be owned nationally, and it limits the number of stations that may be owned in a particular local market. The Dole amendment, which the Senate already has agreed to, wisely eliminated the first type of restriction. The Simon amendment would reinstate it.

(See other side)

YEAS (64)			NAYS (34)			NOT VOTING (1)	
Republicans (50 or 96%)		Democrats (14 or 30%)	Republicans (2 or 4%)		Democrats (32 or 70%)	Republicans (1)	Democrats (0)
Abraham	Inhofe	Baucus	DeWine	Akaka	Kerry	Hatch- ^{2AY}	
Ashcroft	Jeffords	Breaux	Helms	Biden	Lautenberg		
Bennett	Kempthorne	Bryan		Bingaman	Leahy		
Bond	Kyl	Daschle		Boxer	Levin		
Brown	Lott	Exon		Bradley	Lieberman		
Burns	Lugar	Ford		Bumpers	Mikulski		
Campbell	Mack	Glenn		Byrd	Moynihan		
Chafee	McCain	Graham		Conrad	Murray		
Coats	McConnell	Heflin		Dodd	Pell		
Cochran	Murkowski	Hollings		Dorgan	Pryor		
Cohen	Nickles	Inouye		Feingold	Reid	VOTING PRESENT(1) Kassebaum	
Coverdell	Packwood	Kohl		Feinstein	Robb		
Craig	Pressler	Moseley-Braun		Harkin	Rockefeller		
D'Amato	Roth	Nunn		Johnston	Sarbanes		
Dole	Santorum			Kennedy	Simon		
Domenici	Shelby			Kerrey	Wellstone		
Faircloth	Simpson						
Frist	Smith						
Gorton	Snowe						
Gramm	Specter						
Grams	Stevens						
Grassley	Thomas						
Gregg	Thompson						
Hatfield	Thurmond						
Hutchison	Warner						
						EXPLANATION OF ABSENCE:	
						1—Official Buisiness	
						2—Necessarily Absent	
						3—Illness	
						4—Other	
						SYMBOLS:	
						AY—Announced Yea	
						AN—Announced Nay	
						PY—Paired Yea	
						PN—Paired Nay	

The two original rationales for restricting radio ownership, to prevent monopolies from developing and to ensure a diversity of programming, were always questionable and are now totally without merit. The market has become so large that it is not feasible for one company to become dominant. Even if it were, it would not have monopoly power because new competitors are offering or will soon offer audio programming. Cable companies already are competing, and soon satellite services will have the capability of providing 60 channels of digital audio service across the Nation. Additionally, terrestrial digital audio broadcasting is just around the corner. Even if all restrictions on radio stations were removed, Americans would still be ensured a wealth of programming choices from a variety of sources. We have no reason to fear either the creation of a monopoly or a limit on programming choices.

However, if we refuse to allow small radio stations to achieve economies of scale by combining, and thus refuse to give them a chance to compete with some of the new sources for audio programming, we can expect massive numbers of failures. We will prevent radio monopolies from forming by destroying the industry. At present, only 40 percent of radio stations in America are profitable. The Dole amendment, by allowing economies of scale to be achieved, should improve their performance. We do not support undoing the reform that was made by the Dole amendment, and we therefore urge the rejection of the Simon amendment.

Those opposing the motion to table contended:

The current FCC cap on radio station ownership is 20 AM and 20 FM stations. No company comes close to that limit--the highest number owned is by Infinity, which has 27 stations. However, under the terms of the Dole amendment, which has already been agreed to, we expect this situation to change. The Dole amendment gives companies the right to own an unlimited number of stations. This right will encourage companies to seek the unfair market advantage that comes about when one company controls an excessive share of a market. Theoretically, one company could continue to expand until it owned every station in the country. The only restraint that would act upon it would be the antitrust laws, which are difficult and time-consuming to enforce. As an economic matter, we oppose the development of monopolistic industries because they distort the marketplace and result in higher prices. As a policy matter, we oppose allowing any one entity controlling too many stations because such control will limit the expression of differing viewpoints. Accordingly, we have proposed the Simon amendment. The Simon amendment would allow one company to control up to 100 radio stations, which is a 150 percent increase over the current limit. We think that this compromise proposal should satisfy our colleagues' concern that radio owners are unable to achieve sufficient economies of scale to be able to compete with new telecommunications mediums, while at the same time we are confident that it would not result in so few station owners that the marketplace would be distorted. We urge our colleagues to accept this fair, compromise proposal.